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As realists, we know that India has a long, long way to go in solving its problems. But India is moving and there is hope—if it gets enough help, of the right kind, soon enough, from enough countries.

Your proposed Joint Resolution to Support Emergency Food Assistance to India is, in my opinion, well phrased and extremely important.

It will lend the strength, understanding, and support of the Congress and the American people to the compassionate yet highly practical proposals made by President Johnson.

I sincerely hope that the Congress will once again—as you did last year—give this urgent matter your strong endorsement.

(Mr. ASHBROOK (at the request of Mr. VANDER JAGT) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

[Mr. ASHBROOK'S remarks will appear hereafter in the Appendix.]

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ALABAMA REFLECTS DEEP
PATRIOTISM

(Mr. JONES of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JONES of Alabama. Mr. Speaker, a vicious and unwarranted attack has been made from the floor of this body on the patriotism of the former Governor of Alabama, the Honorable George C. Wallace. The charge arises out of display of flags over the State capitol in Montgomery.

In questioning the patriotism of the former Alabama Governor, the gentleman casts a false shadow on the patriotism of all Alabama residents.

Contrary to popular misinformation, Governor Wallace did not initiate the display of the Alabama State flag from the dome of the State capitol. The State flag has flown from the capitol dome for years and years.

The U.S. flag is proudly flown from a distinctive pole on the beautifully landscaped south lawn of the capitol grounds. Even this reflects the patriotism of Alabama. This flagpole was paid for by the schoolchildren of our State during World War I as a mark of their devotion to the flag of the United States.

As to the current allegiance of Alabama citizens, I suggest any person check the rosters of our fightingmen in Vietnam. There he will find that the percentage of Alabama men serving there far exceeds that of the other States. I also suggest that a check of the Red Cross blood program for last year will show that Alabama residents donated 30,000 pints of blood for our soldiers in Vietnam, more than any of the 55 other regional centers in this Nation.

When we speak of patriotism and Americanism, let us know of what we speak. I submit that the patriotism of Alabama residents equals or exceeds that of any other section of the country.

ADDRESS MADE BY MR. GLENARD
P. LIPSCOMB—"POSSIBLE DANGERS
TO OUR NATIONAL SECURITY IN
EAST-WEST TRADE"

(Mr. LAIRD asked and was given permission to address the House for 1 minute.)

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to include the remarks of the gentleman from California [Mr. LIPSCOMB], made at a meeting in New York today, in the Record along with my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAIRD. Mr. Speaker, the gentleman from California [Mr. LIPSCOMB] this morning delivered a notable and thought-provoking address in New York on the very vital issue of East-West trade.

The gentleman's credentials to speak on this issue are beyond dispute. His remarks to the American Management Association at the Hotel Pierre in New York City should be read and analyzed by every Member of this House and I commend them to all my colleagues.

Mr. Speaker, the gentleman from California makes a persuasive case for this Congress to move with extreme caution in acting on the President's proposal to increase our trade relations with the Soviet Union and its Eastern European satellites.

It is the Soviet Union after all that holds the key to peace in Vietnam through its provision, together with its East European satellites, of more than 80 percent of all war materials going to North Vietnam.

Certainly, trade is a very effective weapon and as the gentleman from California [Mr. LIPSCOMB] points out:

If we were now to act in unity toward restraining exports to the Bloc, then this could pressure them from the path of international aggression and subversion which so threaten everyone's peace and freedom.

Mr. Speaker, under unanimous consent, I insert the full text of the remarks made by the gentleman from California entitled "Possible Dangers to Our National Security in East-West Trade" in the Record at this point.

The remarks referred to follow:

POSSIBLE DANGERS TO OUR NATIONAL SECURITY
IN EAST-WEST TRADE

(Speech of Congressman GLENARD P. LIPSCOMB at the American Management Association briefing on East-West trade, March 8, 1967)

Good morning. I appreciate the opportunity to join you today during this American Management Association briefing session on East-West trade.

This is a subject which is of growing importance to all of us here and to our nation and I was honored to receive the invitation to participate in the discussions.

It was not possible for me to come up to New York from Washington to hear the presentations of the gentlemen who spoke to you on Monday and Tuesday inasmuch as Secretary of Defense McNamara and General

Wheeler, Chairman of the Joint Chiefs of Staff, have been testifying before the House Defense Appropriations Subcommittee, of which I am a member. I know, however, that essentially the approach has been to urge increased sales to the USSR and Eastern European nations, to explore possibilities along these lines, and discuss methods and procedures.

My topic today, as is set forth in the program outline, is "Possible Dangers to our National Security in East-West Trade."

I hope you do not think of me, or anyone else who holds views similar to mine, as some sort of wet blanket who, if you aren't careful, will spoil all the fun.

It is fully recognized that our nation needs to trade, that we need to constantly probe for new vistas in the field of trade in terms of new markets, new sales, and new products to sell. In short, continuing expansion in our overseas commerce is essential.

Accordingly, we can all agree that there is merit in promoting trade between our nation and other countries. The bounties of our productive enterprises are wanted by and are of benefit to the citizens of many countries with which we trade, and we benefit from supplies and products produced elsewhere.

Furthermore, we believe solidly in the fundamental concepts of the American free enterprise system and know that honest profits earned by sales abroad are not only good but they are necessary to our economic well-being.

But at the same time, it is evident that there exist strong feelings that there are certain dangers in East-West trade. The fact that this meeting is being held here today is itself an indication of this.

When we search for guidance and answers about East-West trade we cannot favor or oppose such trade merely on the basis of slogans or phrases.

For example, everyone here knows that simply calling something "peaceful trade" does not make it so. Or calling items "non-strategic" does not necessarily make them so. Yet many of the reports issued and speeches delivered lately seem to be liberally laced with just such self-serving terminology. In fact, you get the idea that those who put out the reports or make the speeches, in addition to trying to convince others, are doing this to try to convince themselves in favor of increasing East-West trade.

On the other side of the coin, it must be fully realized that commercial transactions with Communist nations should not be automatically opposed simply on the basis that the other parties to the transactions are Communist.

A practical, realistic appraisal must be made of the situation. The issue must be judged solely on the basis of the situation we find in the world today, not on how one might wish it to be.

I have had occasion to give this subject considerable thought over a number of years as a Member of Congress and personally I am convinced that the proposal to increase East-West trade is fraught with many pitfalls and that the United States had better tread mighty carefully.

BASIC CONSIDERATIONS

A primary consideration, the starting point so to speak, as I am sure all of you know is that East-West trade simply cannot be viewed as a matter of normal commercial negotiations and transactions. It does not mean private individuals or firms dealing with other private individuals or firms. In the Communist countries you deal with Government agencies who carry out the orders and policies of their government.

This is vitally important since we know that to Communist nations, by the very nature of their existence, political considerations are often paramount to economic considerations. Khrushchev commented meaningfully on this in 1955 when he stated:

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"We value trade least for economic reasons and most for political reasons."

The props may have been moved around a bit since then, or some of the dialogue and characters changed, but I see no indications that this is not still the overriding doctrine of the USSR and East European nations.

BLOC ECONOMIES ARE IN TROUBLE

What are the basic motives behind the Communist drive to expand trade with the West? It is not enough to quote Lenin who in 1921 said it was necessary to bribe capitalism with extra profit so as to get the machines with which to defeat it economically. To be sure, this was the heart of Premier Khrushchev's peaceful coexistence maxim, which has since been repeated by Premier Kosygin. But it is not all. To get the answer, you must take a closer look at the Soviet and East European economies and the serious problem confronting them in the mid-sixties.

A fundamental change has occurred in the tempo of economic growth in the Soviet Union. Before, in the period 1956-1960, the gross national product was expanding at an average rate of 8.2%. The stride of expansion has now shortened to at least 6% in the last five years. Nor is this a temporary slowdown. It has become very evident to economists both within and outside of the Soviet Union that a serious adjustment in the economy is now being experienced. It is serious enough to challenge the long-term objectives of the Communist Party.

It is remembered that it was the signs pointing to the economic problems ahead that helped to cause Khrushchev's downfall. The difficulties, of course, continue. One economist has stated:

"Most of the difficulties the Soviet economy is experiencing today are related to the supply side, as the giant over-controlled production machine is becoming more and more sluggish and subject to increasing tensions caused by the lack of internal consistency."¹

The reason for this has been identified as an inability of the Soviet "command economy" to integrate its various elements.

Mr. Kosygin discussed this problem when the twenty-third Congress met in April last year. It had been expected that he might call for an overthrow of the still prevailing Stalinist approach in favor of a new "market socialism," based on realistic costing and broad reaching decentralization. Such an adjustment in the opinion of most economists is required to help solve the underlying fallacy of the quota system which places premium value on how much is produced rather than on a realistic assessment of how much they really need.

The Soviet economy has depended in the past on larger doses of labor and investment to prop up industrial operations otherwise suffering difficulties due to use of uneconomical physical and management techniques, but this makes for more troubles.

For instance, when products are consistently inferior, this is compensated simply by allocating more workers to repair services. In the West we could not afford such gross extravagance. But in Russia it has become a fact of life, as is attested to by the high proportion of labor so engaged—29 percent of the workers in machine building and metalworking.² That is not to say labor is an inexhaustible resource, for today 70% of the women in the Soviet Union are employed or in training. The limit of labor flexibility and intensification has been reached. Eventually you run out of compensating adjustments and must face up to fundamental defects.

¹ Committee Print, New Directions in the Soviet Economy, Part I, Joint Economic Committee, 89th Congress, Page 25.

² Ibid., Page 8.

This situation has been brewing for some time. Khrushchev's answer was to turn on more computers, but it is clear that serious problems continue. As documented in both the Soviet and Western press, the growth of unconsumed stocks and uninstalled capital equipment continues, notwithstanding haphazard information and decision-making adjustments. Today it is estimated by the Director of the Central Institute of Mathematics, USSR that 12 million people are engaged in the sphere of administration. A Soviet mathematician estimates that if things continue as they are, by 1980 the entire adult population would be employed in administration.³

We might have expected that the Soviets, faced with this growing calamity, would undertake drastic overhaul measures toward decentralization and realistic costing.

But here is the rub. This would have a devastating impact on the Communist Party and the control it exercises. But the Party faithful need not have worried. Kosygin said that the solution would lie in buying more Western technology. In furtherance of this premise he stated:

"In the past 5 years foreign trade helped us solve a number of important economic problems. . . . The time has come for us to reappraise the role of foreign trade."

In the satellite nations some remedial steps have been taken to try to ease some of the built-in shortcomings of the command economy, but here as in the Soviet Union the Communist Party has not let loose the strings of control. And, we must note that the combined gross national product of those six nations is less than that of West Germany alone. So notwithstanding the binding economic ties constructed through years of built-up interdependence within the Soviet economic sphere, there are compelling economic demands to import Western machinery and to cultivate export markets elsewhere.

From this brief analysis of the Soviet economic sphere, it is clear that the West is in a commanding position.

But having realized the fruits of advantage from the inherent superiority of our free enterprise economy, we now find the Administration in effect cooperating with Premier Kosygin's party line, clearing sales to the USSR and other Communist countries of items that totalitarian society has not been able to produce.

For those who say "It's worth a try at least once," I remind you that it has been tried before and found wanting. It is often overlooked that U.S. technology was instrumental in helping to build the industrial base for the Soviet Union during the first five-year plan between the years 1929 and 1933. The greatest single undertaking in that plan was construction of the Magnitogorsk blast furnace, still the world's largest. Twenty million dollars worth of U.S. technology was obtained for the building of an entire city at Gorki, the Molotov Works, and the Kim Works in Moscow. These and other plants built by U.S. companies still produce almost all Soviet automobiles, tractors, and trucks. The Dnieper Dam was built by an American firm and this was only a small part of the total contribution made to the electrification of the Soviet Union. To assist in repayment for these large projects, it was a U.S. engineer who overhauled the gold mining industry from top to bottom raising what had been previously negligible production to second rank in the world.⁴ And so it goes.

³ Committee Print, New Directions in the Soviet Economy, Part I, Joint Economic Committee, 89th Congress, Page 44.

⁴ Kosygin, 23rd Communist Party Congress, USSR, April 1966.

⁵ Technical Assistance of the American Enterprises to the Growth of the Soviet Union—1929-1933, Russian Review, January 1966.

The second generation of U.S. technology made available to the Soviets was in the form of lend-lease aid. That it was and still is of great value today is attested to by reports heard time and again from industrial engineers returning from the Soviet Union. These experts find, much to their amazement, that 25-year old American machine tools are still much in use.

Now, it should be asked, where did these bridges get us? Unknowingly, years ago we were helping to build an industrial base that now produces weapons which are killing and maiming our men in Vietnam, weapons that find their mark on leaders who fail to serve the Communist interests, and I am sure scores of other people throughout the world whose only guilt is that they stand in the path of Communism.

That we should seriously contemplate once again upgrading the Communist bloc technology is incomprehensible to me.

It is not good business to unlock the door merely because our adversary has emptied his gun. Nor is it sensible to try to win his friendship by handing him more ammunition when he's still shooting, so to speak. This is a danger in the current "Bridges to the East" policy.

If we were now to act in unity toward restraining exports to the Bloc, then this could pressure them from the path of international aggression and subversion which so threaten everyone's peace and freedom. Why should we bail out the Communist regimes when their actions and philosophy are at odds with peace and harmony throughout the world.

I see no change in Soviet objectives when leaders like Marshall Sokolovsky declare, and I quote him directly, "In the present epoch, the struggle for peace and the fight to gain time depend above all on a unremitting increase in Soviet military power and that of the entire socialist camp, based on the development of productive forces and the continuous growth of its material technological base."⁵ Note that he stresses that military power is based on the material technological base, a fact which seems to escape many here in the U.S.

No matter how high the profit, it can never be commensurate with the risk when our material assistance, no matter how indirectly, contributes to the Soviet arsenal of weapons.

DEFECTS IN ADMINISTRATION OF EXPORT CONTROL

It is evident to me from the nature of many U.S. exports, for which licenses are granted by the Office of Export Control of the Department of Commerce, that their clearance for shipment to the USSR or East European countries contradicts the intent of Congress as expressed in the Export Control Act. When one looks into these transactions, as I regularly do, the Department often dismisses these approvals with the pat statements such as that they are "consistent with the President's desire to 'build bridges' to Eastern Europe by encouraging trade . . ." and " . . . comparable goods are available from foreign sources."

If that is the case, one certainly wonders why the orders are not placed elsewhere. According to responsible witnesses who have testified before Congress it is because the U.S. supplier often offers superior quality, earlier delivery, better prices, greater durability, and better service.

Last year when Secretary of Agriculture Freeman returned from a visit to South Vietnam he reported "There is a strong demand for fertilizer chemicals and improved seeds. Fertilizer is as important as bullets." I certainly agree with that assessment. But why was this not recognized when the USSR came

⁵ "Soviet Military Strategy," Englewood Cliffs, N.J., 1965, p. 285.

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to us to buy fertilizer technology and equipment?

Because the Bloc economies depend heavily on export of cereals and grains to acquire hard currencies with which to purchase Western machinery, it was imperative from their point of view that the Bloc economy increase the yield per acre far above the levels realized from the disastrous short crops of 1963.

If you suspect that they turned to the U.S. for help you are absolutely right. In 1964, the Commerce Department issued licenses authorizing shipment to Russia of \$9.5 million worth of highly automated machinery to mine potash for use in manufacturing fertilizer. Many other licenses have been issued since that time directly relating to increasing crop yields, including fumigants, herbicides, and insecticides. Moreover, a wealth of technical data relating to construction, operation of plants to produce fertilizers have been released.

In light of these contributions to the Soviet economy, it is not at all surprising that the 1966 crop yield was a bountiful 170 million tons. In fact, a news report in December, 1966, when the record yield was revealed, states that this reflects "a heavy emphasis on the use of chemical fertilizers begun in the early 1960's under former Soviet Premier Nikita S. Khrushchev."

Thus it can be seen that fertilizers and the necessary technology for their production have directly contributed to the surpluses which can free Moscow to make critical purchases in the West for extensive items needed to modernize their industry. Obviously, the record Soviet grain harvest, to which American technology contributed, has other far-reaching implications. As was stated in the same news article out of Moscow, from which I quoted a moment ago, the announcement "had significant implications for their country's political leadership, as well as the future conduct of Soviet foreign policy."

Incidentally, analysis of Soviet and bloc aid to North Vietnam underscores the fact that a great quantity of the shipments made to Hanoi include fertilizers, which sustain the war effort.

In another area, as I have already mentioned, the Soviet Union is experiencing great difficulty in the field of automatic data processing. This situation exists despite the fact that it is well publicized that the Soviet Union is second rank in the world in production of computers. Why is this so? An explanation is given by the M. Glushkov, Head of Cybernetics of the Economy of Science, USSR:

"Of special concern are the low reliability of computers and ancillary devices and the sub-standard quality of magnetic tapes . . . the best computers made in the Soviet Union operate only a few hundred hours between failures, while ancillary devices break down practically daily, and the information stored on tape cannot be stored without some loss for more than a month. Magnetic tapes are not interchangeable, e.g., the mass of information recorded on tape for one computer cannot be used by another unit."

He also says that foreign made computers offer an important advantage to the USSR in that they come equipped with programming much superior to that available to users of Soviet computers. In recent years, millions of dollars of Western computers have flowed to the Soviet Union and East European states. Because many of these computers are exported from the United Kingdom and France it often goes unnoticed how much these computers incorporate component parts constructed in the United States. For instance, a \$915 thousand British computer installed at Bratislava, Czechoslovakia

recently required some \$96,000 worth of American parts for continued operation. This computer, interestingly enough, was purchased by the Czechs to optimize production in a petroleum refinery which it appears processes Rumanian and Soviet crude oil.

Recent export license approvals, published by the Department of Commerce, indicate that hundreds of thousands of dollars of what are known as input and output components—these are items used in computer operations other than the actual computers themselves—are being shipped to the Soviet Union. Whether these are to be used with Soviet computers or with Western products really makes little difference when one recognizes that these component units fill a void not yet satisfied by Soviet engineering.

The flow in this vitally important area continues. On January 11 of this year the Department of Commerce approved a license to ship computer components and parts valued at about \$322,000 to the USSR to be used for inventory control. One wonders if this computer will be used to improve the scheduling of shipments to North Vietnam.

Another category of equipment frequently approved for export by the Department of Commerce is industrial processing control instruments. According to the Director of Machinery Manufacturing Division of the Economic Council, USSR the economic significance of this equipment far transcends the relatively low cost. In his words:

"It is registered that we do not become adept in using jig-boring measurement systems . . . We have not developed the ways for balancing of a machine tool that would take into account the thermal deformations and rigidity of assemblies . . ."

You are undoubtedly aware that a most important factor in mass production is exactness of dimensional tolerances. Precision is required because defects are compounded at each level down the production line:

A review of the Department of Commerce list of export license approvals shows various instances of chemical plant technical data being released. Here again the West is making an important contribution to the Soviet economy. According to *Izvestia*, the state of chemical plant construction within the USSR is very serious. In the year 1963, for instance, of the 259 chemical plants commissioned, only 88 are working and these on a part-time basis due to errors in design.

If one wonders why export licenses for synthetic rubber are approved, the answer may be found in a report to the Communist Party by Premier Kosygin on September 27, 1965:

"The national economy is in short supply of a large amount of synthetic rubber of which we are in dire need."

BLOC AID TO NORTH VIETNAM

The Administration's failure to utilize export controls to the fullest extent as one part of a consistent firm policy to halt Communist aggression in Southeast Asia must be a matter of deep concern to all Americans. We recall when our own scrap iron reformed into bombs rained from Japanese airplanes on December 7, 1941 to virtually destroy our Pacific Fleet. One would think we had learned our lesson. When the Korean war began, we reacted quickly, imposing trade controls that reduced exports to the Soviet Union from a level of \$6.4 million in 1940 to \$20,000 in 1952. When Khrushchev raised the Berlin wall in 1961, we again reacted with more stringent enforcement of the Export Control Act. License applications then were consistently postponed with this reply: "This case is being held without action in view of foreign policy considerations growing out of the present critical situation in Berlin."

It seems incomprehensible that a nation which in the last year has suffered 35,101

combat casualties* in South Vietnam can conduct and espouse a foreign policy on a conciliatory "business as usual" basis, at a time when hundreds of millions of dollars of Soviet weapons and military assistance flow to North Vietnam. Last October at the very time the President was expounding on the theme of "bridges to the East," the Soviet Union and its eight allies, at a Summit meeting in Moscow, were pledging \$1 billion in new aid to North Vietnam.

On December 25, 1965 Moscow Radio told this story: "Odessa is the biggest port on the Black Sea. Its busiest route is the one leading to Haiphong. A constant caravan of big merchant ships is plying this lane."

In a Prague broadcast of July 19, 1966, a Czech officer proudly extolled that Czech radar and anti-aircraft guns had been responsible for bringing down several dozen American planes over North Vietnam. East Germany has found opportunity to serve North Vietnam, too, with electronic products specially designed for operation in tropical conditions. A major source of Ho Chi Minh's medical stores is reported to be East Germany.

Accompanying these supplies it is reported are more than one hundred doctors. Nor is the aid flowing to Hanoi restricted to military supplies alone.

A recent article points out that Radio Moscow has claimed that Soviet assisted plants produced "all of North Vietnam's apatite and super phosphates, 90% of its coal and more than half of its machine tools. The country's power, mining, engineering and technical industries were all helped or run by Russian donors and advisers." Rumania is a large supplier of trucks and other vehicles to Hanoi, in addition to oil and other supplies. Bulgaria is shipping a long list of goods, such as electric trucks, steam boilers, cables, insulators, hydraulic pumps, and so forth.

It was in October 1966 that Poland announced its intention to contribute \$30 million in aid to North Vietnam. Apparently the Administration sees no contradiction in a policy which allocated \$9 million worth of U.S. vegetable oils to Yugoslavia while that country ships large amounts of medical supplies, and possibly other items, to North Vietnam.

BLOC ECONOMIC OFFENSIVE

I am sure you are aware of the Soviet oil offensive. The vigorous efforts the Soviet Union has made to capture an increasing share of the world petroleum market cannot be ignored.

As reflected in an article from an authoritative Soviet publication, as quoted in a U.S. Senate hearing,¹⁰ the oil market is a prime Soviet target and as in other aspects of trade policy, political aims are uppermost here too. The article stated:

"It should be borne in mind that oil concessions represent, as it were, the foundation of the entire edifice of Western political influence in the (less developed) world, of all military bases and aggressive blocs. If this foundation cracks, the entire edifice may begin to totter and then come tumbling down."

So you see, the USSR wants not only to sell oil but also to disrupt and if possible destroy the private oil industry.

In the last ten years in part through accelerated pipeline and tanker construction, the Soviet Union has captured an increasingly large share of the petroleum market in free world nations, has increased its share to about 90% of the market in East European states, and has cut into middle-Eastern oil sales. According to figures issued a few

* Department of Defense announcement as of January 5, 1967.

¹⁰ Senate Judiciary Committee Hearings, October 1962, Problems Raised by Soviet Oil Development, page 405.

¹ *Izvestia*, 11 July 1966.

² *Izvestia*, 11 November 1963, p. 2.

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years ago by the National Petroleum Council, the Soviet Union has more geophysical crews—oil exploration teams—employed than the combined total of all Western oil interests.

Notwithstanding the fact that to expand sources further deeper wells must be dug, the Soviets find that their own deficiencies in deep well drilling can be offset by purchase of equipment from the West. Over the last few years many licenses have been issued to sell petroleum producing equipment to Rumania, a Soviet partner in expanded petroleum trade. This has included drill bits, tubular goods, drill collars, technical data for a catalytic cracking plant, and a petroleum refinery.

We are not alone in this. West Germany, Italy and Sweden supplied 40% of the oil pipeline required to meet the most recent 5-year plan objectives. It is pertinent to remember at this point that it is Communist bloc oil that feeds and lubricates the North Vietnamese war machines.

Soviet hard currency earnings from exports of oil have grown from a share of 2% in 1952 to more than 25% of overall Soviet trade in recent years. Clearly, there is danger that we are supplying the tools to dig our own economic graves when we provide the equipment that breaches the gap in the Soviet oil production drive.

The Communist economic offensive can also, as we know, feature such tactics as dumping, price cutting, price differentials, boycotting suppliers once the suppliers are dependent on them for markets, and what have you.

DANGER OF SOVIET ESPIONAGE

Caution must be exercised that businessmen do not let down their guard against Soviet espionage. I commend to your reading some excellent articles on this subject by FBI Director J. Edgar Hoover. One such article appeared in the January 1964 issue of *Harvard Business Review*. Another appeared in the August 1966 issue of *Industrial Security*. If you have not had a chance to read them, I am sure copies of the articles are available from Mr. Hoover's office.

In the articles, FBI Director Hoover relates how the American businessman is more than ever the target of Soviet Bloc intelligence. Selection of targets depends on what is determined to be needed from Moscow. They are adroit at painstakingly setting the stage for their approaches. Frequently, the representatives begin their associations in social situations.

They may contact a prospect, for example, on the basis of seeking a large contract for commercial items to entice him to release blueprints and technical data. Sometimes a contract may be produced, and then while the contract is being studied it will be mentioned that before it can be signed, the particular Soviet foreign trade organization involved would like to look at other products of the firm, often those that are classified.

Time and again it is necessary to ask that Soviet aides leave the country because they are engaging in espionage activities.

I wish to leave you with a strong word of caution on this point. A good dose of healthy skepticism is the best insurance against the possibility that one may unwittingly contribute to them prized industrial know-how. Remember, the first nuclear devices were built by the Soviets from blueprints and technical data supplied by a Communist spy ring. Often, software will do just as well as the actual item.

Along those same lines, it is well known that the Communist bloc often seeks to buy prototypes for copying purposes. Then too, one of the worst things about dealing with the USSR is their disrespect for patent rights.

CONCLUSIONS

Where does all this leave us? I am compelled to the conclusion that to a large extent the move to increase trade with the Soviet Union and Eastern European countries is a matter of grave concern.

We know that the Communist buyers do not seek the usual types of raw materials and consumer products. Nor do they come to the West in the spirit of finding true trading partners. Rather they come with shopping lists carefully drawn up by centralized governments. They seek shortcuts—ways to use the West to expand their own capacities and advance bloc goals.

What are these goals? Clearly an immediate goal is to help bring about a Communist victory in Vietnam. This is however only part of a broad, continuing campaign to advance the cause of Communism throughout the world by whatever means possible, be it by subversion, through so-called wars of liberation, by economic warfare, or other means.

Regrettably, at a time such as this when Communist leaders recognize the deep difficulty their economies face, we are failing to recognize that through a proper use of trade, we and other Western nations should be able to compel the Communist bloc to work to restore peace to the world rather than support aggression.

Aside from what we can do individually, a mechanism for cooperation in this regard among the nations of the West exists today in the Coordinating Committee (COCOM), a body which includes in its membership 14 NATO countries and Japan. However, this would require the catalyst of inspired leadership on the part of the United States because due to repeated watering down of the embargo list, the effectiveness of COCOM has greatly deteriorated. We must work harder to secure recognition by other COCOM nations of the need for effective joint action.

It is a very serious matter that we discuss here. "Peaceful detente" is still a condition of wishful judgment, not fact. We must be realistic therefore and weigh carefully the significance of trade with the bloc. In so doing we must give full consideration to the meaning of trade to our security and welfare. If the situation is such that restraints and controls are needed, and I believe they are, then we must act accordingly.

Thank you very much for your attention.

EDUCATION, BUSINESS, AND THE FUTURE

(Mr. GARDNER (at the request of Mr. VANDER JAGT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GARDNER. Mr. Speaker, very recently Mr. M. A. Wright, president of the Chamber of Commerce of the United States and chairman of the board of the Humble Oil & Refining Co. in Houston, Tex., made a forthright speech in my congressional district.

Speaking before the Public Affairs Forum at Shaw University in Raleigh, N.C., he pointed out the complex challenges that face us in future educational problems as technology continues to expand at an explosive rate. He urged a more receptive attitude on the part of educators themselves to the new tools and techniques of learning.

Mr. Speaker, I would like to offer for the RECORD Mr. Wright's speech entitled

"Education, Business, and the Future," delivered on February 13, 1967 at the Public Affairs Forum, Shaw University, Raleigh, N.C.

EDUCATION, BUSINESS, AND THE FUTURE

(An address by M. A. Wright, president, Chamber of Commerce of the United States, at Shaw University, Raleigh, N.C., February 13, 1967)

By almost any measure, the 20th Century has been a time of dynamic technological and economic change. Since the turn of the century, we have witnessed a 200-fold increase in the speed at which man can travel. Over the same time span, such breakthroughs as radio, television, and the communications satellite have revolutionized man's ability to communicate. Advances in such fields as medicine, psychology, and chemistry, to name but a few, have been so striking as to defy the comprehension of the average laymen. And the development of nuclear energy has placed at man's disposal a source of power which could result in either unlimited good or immeasurable mischief.

These developments have been accompanied by substantial advances in economic welfare. Since 1914, the average weekly earnings of our workers has increased from about \$10 a week to almost \$110 a week. At the same time, the leisure of America's workers has been enhanced by a 20 percent cut in the average work week. And even after allowing for price changes and tax increases—which have been substantial—the real income of our labor force has increased some three-fold. In the relatively short period of 20 years, real output in the United States has doubled and real disposable income per person has grown about one-half.

Because of this rapid growth, the United States is by far the most prosperous nation in the world. With only 7 percent of the world's population and 6 percent of its land area, we currently produce about one-third of the world's total output. In fact, the annual increase in our output of goods and services is larger than the total output of all but a few other nations in the world.

With these past achievements as prologue, we are understandably anticipating even more dramatic progress in the future. And for the most part, these anticipations seem fully justified. Today, there are about 400,000 scientists in the United States, more than triple the number of just 20 years ago. It is estimated, in fact, that of all the scientists who ever lived, 90 percent are alive today. To support this large and growing number of scientists, our nation will commit \$25 billion this year to research and development, some three times the amount spent just 10 years ago.

It is reasonable thus to expect this increasing emphasis on science and research to accelerate technological change. One recent study has shown this to be true. Before the First World War the typical time lag between a scientific or engineering discovery and recognition of its commercial potential was about 30 years. Between the wars this lag declined by about one-half, and in the post-World War II period, the time between a technical discovery and its application has been about 9 years. Recent developments in the fields of electronics, computer and space technologies as well as many others suggest this lag has been even further reduced in the past few years.

Technological innovation gives birth to new and better products and allows us to produce existing products more efficiently. Thus, acceleration of scientific development certainly bodes well for the future. Indeed, predictions about the approaching age of abundance, of leisure, and of a host of new